

NC STATE UNIVERSITY

**POOLE** COLLEGE OF  
MANAGEMENT

**SCRC**

REPORT

SCRC REPORT | Spring 2013

 **Overview of Industry**

# Consumer Products Sustainability

PUBLISHED SPRING 2013

---

## Overview of Industry

---

The mining and petroleum refinement industry is a very diverse group of companies that have operations around the world. Many of the companies deal with the same issues surrounding supply chain management, labor and human rights and sustainability efforts – with varying degrees of success in handling these complex issues. The industry as a whole sponsor a wide range of programs and activities related to labor and human rights as well as sustainability. Some of the companies have more defined standards for these efforts – including them in contracts – while others lack transparency in the steps they take to ensure the environment and the people in the countries they work are protected.

We think that labor and human rights as well as sustainability efforts are heavily influenced by the overall control the company has on its supply chain. Research showed that those companies who place a strong emphasis on supply chain relationship management perform better in their efforts to protect the environment and the employees of companies they do business with are respected. The mining and petroleum refinement industry faces challenges that many other industries do not – in that they have operations spanning the globe – a fact that can make it by nature difficult to control. However, companies within the industry have stepped up in large part to ensure that they track where money is being spent, how it is being spent and finally ensuring that their operations do not have a negative impact on the world and the people in it.

## Key Sustainability Issues

- Reliance on coal
- Reliance on foreign sources of fossil fuel energy from politically unsettled areas makes supplier sustainability harder to measure and monitor than in other industries
- Emergence of natural gas as a domestic energy resource and the political, environmental, and economic benefits and consequences associated with it
- Limited number of suppliers
- Increasing demand for fuel and mined resources
- Efficiency in all stages of refining fossil fuels (eg: transportation of crude oil to appropriate refineries; Keystone Pipeline controversy)
- Expense of constructing new nuclear plants or hydroelectric dams
- Emergence of new alternative energy technologies, (eg: wind and solar), associated legislative requirements for implementation, and economic impacts
- Other geopolitical hurdles in areas where resources are located

## Methodology and Supply Chain Sustainability Index Rating System

Our team evaluated 16 large Fortune 500 mining and energy refinement companies to determine the supply chain maturity of each utilizing the Supply Chain Sustainability Index developed within the Supply Chain Resource Cooperative. This framework incorporates assessments regarding supplier relationship management (SRM), labor and human rights management (LHR) and environmental sustainability. Each indicator is ranked from 1 to 5 (ad hoc-worst, optimized-best) according to the result of group discussion. Company research was conducted through reviewing corporate websites, public media outlets and documents from the NCSU library.

For each category listed above, the rankings are based on the following criteria:

1. Spend management
2. Strategic sourcing
3. Category management
4. Supplier relationship management
5. Environmental sustainability evaluation
6. Labor and human rights evaluation

When researching these criteria for each company, we looked at key indicators to rank them in each area.

To determine ranking for spend management, category management, and strategic sourcing when choosing suppliers, we looked areas such as how much each company is spending with different suppliers, who they are spending with, and what is purchased. Also, we researched if the companies are assigning spending to categories, and if so if there were there people assigned to manage these categories of spend. Additionally we researched to whom these companies are giving their business globally. We looked to see who their suppliers were and how much business these suppliers get, if that information was available.

Other key indicators we checked based on the index were vendor recognition, supplier evaluation, and if each company utilizes supplier monitoring programs and evaluations. Any lawsuits, company awards, and best practices were analyzed for each company as well. This information was used to rank supplier relationship management and environmental supply chain management maturity. Finally, we looked at whether or not each company had a labor and human rights code of conduct, if they had these policies in place for their suppliers, community involvement activities, and any lawsuits they may have been involved in. Training programs and reports were also used to rank LHR maturity within their supply chain.

Each category and sub-category has a scoring grid with 1 (ad-hoc) being the worst and 5 (optimized) being the best.

We researched from various materials in the library database, in provided company information, and publicly available reports, and rated the performance of the companies with respect to the above grid. This gave us a basic score for the different parameters. The average score of the above parameters gave us the final scores under each category (SRM, SCM, etc).

## List of Company Ratings

Companies which have been evaluated are listed from best to worst according to the scoring grid as follows:

Companies which have been evaluated are listed from best to worst according to the scoring grid as follows:

- 1) Newmont Mining Corp. Newmont Mining Corporation (22)

---

 Consumer Products Sustainability

- 2) Chevron (22)
- 3) Exxon Mobil (21)
- 4) Freeport-McMoran Copper (20)
- 5) Marathon Corporation (19)
- 6) Alcoa Inc. (17)
- 7) ConocoPhillips (16)
- 8) EOG Resources (16)
- 9) Halliburton (16)
- 10) Hess Corporation (16)
- 11) Occidental Petroleum Corporation (15)
- 12) Consol Energy Inc. (11)
- 13) Spectra Energy (11)
- 14) Valero Energy (9)
- 15) Nucor Corporation (9)
- 16) National Oilwell Varco (8)

\*Numbers in parentheses indicate total score of SCM and LHR points

## Best Practices

### Newmont Mining Corp.

- Newmont is using Mincom Axis, a hosted B2B integration service, to act as an e-hub to facilitate the exchange of documents over the Internet directly to trading partners.
- Oniqua's Procurement Strategizer Module: Newmont uses this software tool made for procurement professionals to improve spend management, supplier performance and supplier relations. The system incorporates modern procurement concepts, such as quadrant analysis and supplier score-carding to provide a framework which supports a change towards a value-added procurement function.
- Newmont implements an annual vendor recognition award program
- Utilizes a comprehensive category management program on local, regional, and global levels.

### Chevron

- Chevron has a cutting edge supplier management system that allows them to have oversight and control over their suppliers no matter where they are in the world.
- Chevron has a supplier recognition program that highlights the success and best practices of its suppliers.
- Chevron has a long history of focusing on the needs of the communities in which it is involved. This includes funding for schools and medical centers in Africa and environmental improvement efforts in South America.
- Its use of small businesses and diverse suppliers has been award winning and it focuses on using local suppliers to meet many of its supply requirements.

### Freeport-McMoran Copper

- Freeport McMoran Global Supply Chain has developed a unique initiative called the "Hour-glass" which requires them and their suppliers to jointly examine the supply chain process to reduce waste and increase profit.
- Since 2005, Freeport McMoran has sought independent verification of its annual sustainability reports, including selected performance data statements on processes and achievements and

conformance to the Global Reporting Initiative (GRI) guidelines. They are implementing the International Council on Mining & Metals (ICMM) Sustainable Development Framework, including implementation of 10 Sustainable Development Principles across the Company.

- Freeport McMoran has been a member of the Voluntary Principles on Security and Human Rights since it was established in 2000 which provides guidance to their operations as well as a mechanism to promote engagement, awareness and respect for human rights within their employee base as well as with governments and community partners.

## Pitfalls, Opportunities, and Industry Recommendations

The mining and petroleum refining industry face huge challenges just due to the hazardous nature of their business. Additionally, the fact that they operate in geographically diverse locations having varying human rights, labor and environmental restrictions makes their job of being sustainable throughout their supply chain even more difficult. These companies can also attract a lot of attention in case of a major failure in their operations or a disruption in their supply chain as consequences of such failures can be catastrophic in terms of impact on the environment as well as loss of human lives (for example the BP oil spill in the Gulf of Mexico, 2010). For such reasons these companies have stringent health and safety norms and practices. Owing to the large size of these companies, they have the resources to invest extensively in the developing their partners and suppliers. They often invest heavily in societal development programs when working in underdeveloped areas. Most of them are also heavily invested in large scale development of green initiatives (such as the Green Corridor Initiative of planting 250,000 trees over 5 years by Chevron) which a few companies from other industries can afford to do. Some of the challenges moving ahead for this industry is going to be how the industry balances their opportunities (like exploration of oil in ecological sensitive areas, or extraction of shale gas) with the way these operations might adversely affect the environment and society (like the contamination of the water table for shale gas exploration or the ecological challenges faced in Western Australia for the Gorgon Liquefied Gas project by Chevron). On a positive note, this industry has shown its willingness to invest its developing technology which not only is currently beneficial to their line of business but also benefit the society in the long run (such as the BP biofuels Global technology Center).

These companies have shown their commitment towards developing the communities that they work with, which most of the times happen to be in an under developed parts of the world. If these companies can continue with their balanced approach of exploring opportunities for maximizing their profits with an eye towards contribution towards the environment and society at large, it would definitely lead to a progressive sustainable planet.

## Secondary Data - Team 7 - 2013

### 1. ALCOA INC

#### SRM Evaluation

#### Supplier Website:

[http://www.alcoa.com/howmet/en/info\\_page/supplier\\_mgt.asp](http://www.alcoa.com/howmet/en/info_page/supplier_mgt.asp)

<https://www.alcoadirect.com/>

(2013: Supplier portal site)

#### Contacts

[http://www.alcoa.com/howmet/en/about/procurement/procurement\\_contacts.asp](http://www.alcoa.com/howmet/en/about/procurement/procurement_contacts.asp)

(2013: Procurement contact list)

## Summary

[http://www.alcoa.com/global/en/about\\_alcoa/sustainability/economic\\_procurement\\_approach.asp](http://www.alcoa.com/global/en/about_alcoa/sustainability/economic_procurement_approach.asp) [Alcoa has a unique procurement approach consisting of core strategies, processes, tools and measures that leverage opportunities on a global, regional and local basis.]

<https://www.alcoadirect.com/> [AlcoaDirect is Alcoa's award-winning business-to-business commerce site to enhance its functional capabilities with its customers.]

2013: [http://www.alcoa.com/global/en/about\\_alcoa/us\\_suppliers.asp](http://www.alcoa.com/global/en/about_alcoa/us_suppliers.asp) [Alcoa has separate supplier website which includes detail guidelines and monitor programs. Also, Alcoa has its own sustainability report and supplier enforcement programs.]

## Partnership Guidelines:

[http://www.alcoa.com/global/en/about\\_alcoa/sell/info\\_page/sell\\_terms.asp](http://www.alcoa.com/global/en/about_alcoa/sell/info_page/sell_terms.asp) [Terms and conditions of Alcoa's suppliers for each region are found in the individual links] Note: Sustainability only appears in the "North American Operations" tab – not found in Europe or Australia.

## Lawsuits: NA

## Best Practices:

[http://www.alcoa.com/global/en/about\\_alcoa/sustainability/economic\\_procurement\\_programs.asp](http://www.alcoa.com/global/en/about_alcoa/sustainability/economic_procurement_programs.asp) [Procurement programs and actions at Alcoa]

**Vendor Recognition:** 2013: [Alcoa recognizes suppliers for safety, quality, volume, delivery performance and recycling efforts.]

## Company Recognition: NA

## Miscellaneous:

[http://www.alcoa.com/howmet/en/info\\_page/scm\\_documents.asp](http://www.alcoa.com/howmet/en/info_page/scm_documents.asp)  
(2013: Supplier quality document available at this link) (2013: Alcoa uses EDI)

## LHR Evaluation

## Code of Conduct Evaluation:

[http://www.alcoa.com/global/en/about\\_alcoa/human\\_rights.asp](http://www.alcoa.com/global/en/about_alcoa/human_rights.asp)  
[No mention of child labor of age below 14 and no steps taken for abolishing child labor.]  
(2013: Our ability to directly influence the standards of conduct of people we do not employ occurs where a supplier or contractor is working in, or delivering products or materials directly to, our facilities. In those cases, we mandate practices, such as compliance with our environment, health, and safety standards.) – Alcoa Website

## Contracts Evaluation: N/A

## Supplier Monitoring/Evaluations

[http://www.alcoa.com/global/en/about\\_alcoa/sell/PDF/Supplier\\_Standards.pdf](http://www.alcoa.com/global/en/about_alcoa/sell/PDF/Supplier_Standards.pdf)  
[Alcoa's Ethics and Compliance Program is intended to ensure that all Alcoa customers and suppliers are adhered to workplace standards]

## Labor related lawsuits: NA

## Community Involvement

[http://www.alcoa.com/global/en/about\\_alcoa/sustainability/com\\_overview.asp](http://www.alcoa.com/global/en/about_alcoa/sustainability/com_overview.asp)

[Alcoa contributes to healthier, safer and more sustainable communities everywhere they operate.]

## Tracking Mechanisms: NA

### Miscellaneous

[http://www.alcoa.com/global/en/about\\_alcoa/corp\\_gov/internal\\_audit.asp](http://www.alcoa.com/global/en/about_alcoa/corp_gov/internal_audit.asp)

[Alcoa has internal auditing group which assess risks and develops recommendations.]

[http://www.alcoa.com/global/en/about\\_alcoa/sell/PDF/Supplier\\_Standards.pdf](http://www.alcoa.com/global/en/about_alcoa/sell/PDF/Supplier_Standards.pdf)  
(2013: Alcoa supply chain management in Environmental sustainability)

Code of Conduct: N/A

Contracts: N/A

### Training Programs, Evaluation, Tracking mechanisms, and Supplier Enforcements:

[http://www.alcoa.com/sustainability/en/info\\_page/workplace\\_supply.asp](http://www.alcoa.com/sustainability/en/info_page/workplace_supply.asp)

(2013: This information has been critical in the development of our Global Supplier Sustainability Program, which will be implemented in 2011. A few key aspects to this program include the following:

A consistent definition for key suppliers and annual targets;

A global supplier sustainability questionnaire, with region-specific questions where necessary;

A set of minimum expectations to do business with Alcoa. These will become a part of supplier registration, contract review, and strategic sourcing processes;

A consistent evaluation process to assess key suppliers on a sustainability continuum;

A consistent monitoring process; and Internal and external training topics.)

### Reports:

[http://www.alcoa.com/sustainability/en/info\\_page/alcoa\\_sustainability.asp](http://www.alcoa.com/sustainability/en/info_page/alcoa_sustainability.asp)

[Link to 2011 report – no indication that a report has been completed since.]

Lawsuits: N/A

Second tier Suppliers: N/A

Dow Jones Sustainability index: Yes

Newsweek green score: 46.5 – Ranked 18th of 34 within Industry (2012)

Miscellaneous: N/A

## 2. CHEVRON

### SRM Evaluation

Supplier Website: <https://chevronsupplier.aecglobal.com/login.aspx> (2013: Supplier portal site)

### Contacts

Chevron Headquarters

Tel. +1 925-842-1000

Procurement

Supplier Diversity/Small Business Program

## Consumer Products Sustainability

Fax: +1.925.790.3987  
Email: [smallbiz@chevron.com](mailto:smallbiz@chevron.com)

**Summary**

Chevron Corporation operates as an integrated energy company worldwide. The company's Petroleum operations include the exploration, development, production, and marketing of crude oil and natural gas; refining, marketing, and transportation operations include refining crude oil into finished petroleum products; marketing crude oil and products derived from petroleum; and transporting crude oil, natural gas, and petroleum products by pipeline, marine vessel, motor equipment, and rail car. Its chemical operations include manufacture and marketing of commodity petrochemicals, plastics for industrial uses, and fuel and lubricant oil additives. Chevron Corporation is based in San Ramon, California.

2011: Chevron uses SAP and has supplier portal site and supplier diversity program

**Partnership Guidelines:**

<http://www.chevron.com/productservices/supplierdiversity/becomingasupplier/>  
No terms or conditions provided on website but there are a list of qualifications and items Chevron examines when evaluating new suppliers.

**Lawsuits:**

<http://www.chevron.com/ecuador/>  
Chevron is facing a lawsuit in Ecuador stemming from the clean up of an oil field that was opened in 1964. An Ecuadorean court has ordered Chevron to pay a \$19 billion dollar fine (an amount doubled from \$9.8 billion after Chevron refused to issue a public apology). Chevron claims there is fraud and corruption involved in the case and has refused to pay. It is still dealing with the legal ramifications.

**Best Practices:**

Its Small business/supplier diversity program has been awarded as outstanding program.

**Vendor Recognition:**

<http://www.tradingmarkets.com/.site/news/Stock%20News/1860163/>  
<http://www.highbeam.com/doc/1G1-185511716.html>  
(Chevron awards the best supplier every year)

**Company Recognition:**

<http://www.chevron.com/productservices/supplierdiversity/awardsrecognition/>

<http://www.chevron.com/productservices/supplierdiversity/>  
(2011: Supplier diversity program)

**LHR Evaluation:**

<http://www.chevron.com/globalissues/humanrights/>  
2013: Chevron's Human Rights Policy primarily focuses on four areas relevant to our business: employees, security providers, the community and suppliers. The policy is governed by an executive leadership body and guided by a policy team.

**Code of Conduct Evaluation:**

<http://www.chevron.com/globalissues/businessethics/>  
Chevron has a business conduct and ethics code that outlines its expectations for how employees should operate in the business environment

Contracts Evaluation: NA

Supplier Monitoring/Evaluations: NA

## Consumer Products Sustainability

Labor related lawsuits: NA

Community Involvement: <http://www.chevron.com/about/inthecommunity/> Chevron is involved in building stronger communities in many of the countries that it works in around the world.

Tracking Mechanisms: NA

Code of Conduct: N/A

Contracts: N/A

Training Programs: N/A

Reports:

<http://www.chevron.com/globalissues/corporateresponsibility/2011/>  
 (Link on this page to the 2011 Corporate Responsibility Report)

Lawsuits: N/A

Evaluation: N/A

Tracking mechanisms: N/A

Supplier Enforcements: N/A

Second tier Suppliers: <http://www.chevron.com/productsservices/supplierdiversity/faq/>  
 "In the United States, if awards exceed \$500,000 for goods and services and \$1,000,000 for construction, Chevron may require the prime supplier (unless they meet SBA small-business size standards) to submit a subcontracting plan every year. This plan must show how the supplier is making sure small or diverse businesses are given an equitable opportunity to compete for the business for which the contracts or subcontracts are awarded. Every quarter, the prime supplier is required to report to Chevron its actual spending with small or diverse businesses."

Dow Jones Sustainability Index: Yes

<http://www.sustainability-indexes.com/library/factsheets.jsp> "Dow Jones Sustainability North America Index"

Newsweek Green Score: 49.9, Ranked 7th of 31 in Industry (2012)

### 3. CONOCOPHILLIPS

SRM Evaluation

Supplier Website:

[http:// http://vendors.conocophillips.com/EN/Pages/index.aspx](http://http://vendors.conocophillips.com/EN/Pages/index.aspx)

<https://supplierprofile.conocophillips.com/login.aspx>

(2013: supplier portal)

Contacts

[http:// http://vendors.conocophillips.com/EN/contacts/Pages/index.aspx](http://http://vendors.conocophillips.com/EN/contacts/Pages/index.aspx)

Vendor relations contacts based on location

Summary

ConocoPhillips strategy is to automate the Procure-to-Pay Process to improve operational efficiency and cost effectiveness. This is done through procurement card usage and procurement tools and applications, i.e. Electronic Invoicing or EDI, Evaluated Receipt Settlement (based on goods receipt), Web Invoicing and Electronic Payments. Implementation of this strategy results in streamlined processes and payments to vendors within contract terms.

## Consumer Products Sustainability

## Partnership Guidelines:

<http://vendors.conocophillips.com/EN/Pages/TermsConditionsforGoodsServices.aspx>  
 (Link with PDF files of Terms and Conditions for Goods and Services)

Lawsuits: N/A

Best Practices: <http://www.conocophillips.com/EN/susdev/safety/crisis/Pages/index.aspx>  
 2013: At ConocoPhillips, prevention of any spill through project planning, design, implementation and leadership is a primary objective. However, in the event that a spill occurs, plans and processes are in place to ensure we can respond effectively.

## Vendor Recognition:

[http://hpsweb.honeywell.com/Cultures/en-US/NewsEvents/NewsRoom/PressReleases/Awards/ConocoPhillips\\_GoldAward\\_PR.htm](http://hpsweb.honeywell.com/Cultures/en-US/NewsEvents/NewsRoom/PressReleases/Awards/ConocoPhillips_GoldAward_PR.htm) {ConocoPhillips recognizes Honeywell for delivering excellent solutions on schedule and with zero cost growth. Honeywell wins the Belanak Supplier Quality Initiative (BSQI) Gold Award for Delivery Supplier Excellence.}

## Company Recognition:

<http://www.conocophillipslubricants.com/about/case-studies/CaseStudy.aspx?id=16>  
 {Conoco Phillips Lubricants receives Supplier of the Year award from Colectric partners}

## Miscellaneous:

{All of ConocoPhillips runs on a single instance of SAP enterprise software}

## LHR Evaluation

## Code of Conduct Evaluation:

[www.conocophillips.com/EN/susdev/policies/humanrightsposition/Pages/index.aspx](http://www.conocophillips.com/EN/susdev/policies/humanrightsposition/Pages/index.aspx) 2013: ConocoPhillips has adopted a position statement on human rights that includes our intent to conduct business consistent with the human rights philosophy expressed in the Universal Declaration of Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work

Contracts Evaluation: N/A

Supplier Monitoring/Evaluations: N/A

## Labor Related Lawsuits:

<http://www.conocophillipslawsuits.com/Wrongful-termination-unpaid-overtime.html>  
 2011: The plaintiff in the lawsuit, Mr. Bentley, alleges that he was induced to move to Montana to work for ConocoPhillips. He states that ConocoPhillips promised him "more money," "a rotating schedule "and" he would be given a work schedule that would allow him to pursue hunting and other outdoor recreational opportunities."  
 2009: ConocoPhillips settled a religious discrimination suit filed by the EEOC.

## Community Involvement:

<http://www.conocophillips.com/EN/susdev/communities/Pages/index.aspx>  
 (Website has links to several examples of how ConocoPhillips is involved in the communities in which it works.

Tracking Mechanisms: N/A

Miscellaneous: NA

Environmental Sustainability Evaluation

Code of Conduct: NA

Sustainability Efforts

---

**Consumer Products Sustainability**

<http://www.conocophillips.com/EN/susdev/ethics/integration/Pages/index.aspx>

Our global businesses follow specific, well-defined processes that help manage sustainability issues as we begin a new venture, from the initial phases of identifying a potential opportunity through project development and operations.

Contracts: N/A

Training Programs: N/A

Reports:

[http://www.conocophillips.com/EN/about/company\\_reports/Pages/index.aspx](http://www.conocophillips.com/EN/about/company_reports/Pages/index.aspx) (Link to several company publications)

Lawsuits:

Evaluation: N/A

Tracking mechanisms: N/A

Supplier Enforcements: N/A

Second tier Suppliers: N/A

Dow Jones Sustainability index: No

Newsweek Green Score: 48.7, Ranked 11th of 31 in Industry (2012)

Miscellaneous: N/A

#### 4. CONSOL ENERGY INC

SRM Evaluation

Supplier website: NA

Contact:

<http://www.consolenergy.com/AboutUs/ContactUs.aspx>  
(2011: General contact information)

Summary:

No information found on website regarding suppliers.

Partnership Guidelines: NA

Lawsuits: NA

Best Practices:

2011: CONSOL uses SAP

Vendor Recognition: NA

Company Recognition:

<http://www.consolenergy.com/about-us/corporate-responsibility/awards.aspx>

Link highlights several awards the CONSOL has been awarded in different areas of business.

LHR Evaluation

Code of Conduct:

<http://consolenergy.com/about-us/corporate-governance/code-of-ethics/employee.aspx>

---

 Consumer Products Sustainability

---

 Link outlines a Code of Ethics and Conduct that employees should follow when conducting business

Contract Evaluations: NA

Supplier Monitoring/Evaluations: NA

Community Involvement:

<http://www.consolenergy.com/about-us/corporate-responsibility/consol-in-the-community.aspx> 2013: At CONSOL Energy, we take seriously the role we can play in improving the life of communities where we operate and where our employees and their families live. Whether providing a grant to the local 4H Club or gathering employees to help build a playground, we recognize the importance of being active participants in the social fabric of our hometowns.

Tracking Mechanisms: NA

Miscellaneous: NA

Environmental Sustainability Evaluation

Code of Conduct: NA

Contracts: N/A

Training Programs: N/A

Reports: <http://consolenergy.com/CorporateResponsibilityReport/>

Report highlights initiatives and programs that CONSOL has put in place to protect people and the environment.

Lawsuits: N/A

Evaluation: N/A

Tracking mechanisms: N/A

Supplier Enforcements: N/A

Second tier Suppliers: N/A

Dow Jones Sustainability Index: No

Newsweek Green Score: 24.8, Ranked 30th of 31 in Industry (2012)

Miscellaneous:

5. EOG RESOURCES INC

SRM Evaluation

Supplier Website: N/A

Contacts:

EOG Resources Website <http://www.eogresources.com/home/index.html>

Contracts:

[http://www.eogresources.com/operations/business/vendor\\_contracts.html](http://www.eogresources.com/operations/business/vendor_contracts.html)

These links provide a general reference (not specific contracts) for those companies interested in being a supplier of EOG Resources.

## Consumer Products Sustainability

## Summary:

At this time, we are unable to find any information about supplier relationship management for EOG at this time. Also, information about suppliers to EOG was not found.

## Partnership Guidelines:

2013:<http://www.eogresources.com/about/corpgov.html>

There is a PDF at the above link that is the Code of Business Conduct and Ethics for Suppliers and Vendors

Lawsuits: N/A

Best Practices: [http://www.eogresources.com/responsibility/environmental.html#crisis\\_plan](http://www.eogresources.com/responsibility/environmental.html#crisis_plan)

Vendor Recognition: N/A

Company Recognition: N/A

Miscellaneous: N/A

## LHR Evaluation

Summary: NA

Code of Conduct Evaluation: <http://www.eogresources.com/about/corpgov.html>

There is a PDF on the above link that is the Code of Business Conduct and Ethics for Employees of EOG Resources

Contracts Evaluation: [http://www.eogresources.com/responsibility/environmental.html#our\\_suppliers](http://www.eogresources.com/responsibility/environmental.html#our_suppliers)

EOG Resources includes a provision in its contracts that specify vendors must place an emphasis on safe operations that follow the laws of the area in which they are conducted.

Supplier Monitoring/Evaluations: Breach of contract (above mentioned) will result in contract termination.

## Labor related lawsuits:

[http://chippewa.com/news/local/trial-set-for-couple-s-lawsuit-against-eog-resources/article\\_f3b7470e-7253-11e2-a994-0019bb2963f4.html](http://chippewa.com/news/local/trial-set-for-couple-s-lawsuit-against-eog-resources/article_f3b7470e-7253-11e2-a994-0019bb2963f4.html)

EOG is facing a lawsuit from an individual who was injured on a job site in which EOG was involved. EOG claims that a sub-contractor was in control of the property at the time and therefore they are not responsible. A trial has been set for later in 2013.

Community Involvement: NA

Tracking Mechanisms: NA

Miscellaneous: NA

## Environmental Sustainability Evaluation

Overview: Includes policy, procedures, training programs for employees and contractors, <http://www.eogresources.com/responsibility/environmental.html>

## Code of Conduct:

[http://www.eogresources.com/responsibility/environmental.html#se\\_commitment](http://www.eogresources.com/responsibility/environmental.html#se_commitment)

This link highlights the "commitment" that EOG Resources has to the environment but does not necessarily constitute a "Code of Conduct".

Environmental policy of EOG

---

**Consumer Products Sustainability**

[http://www.eogresources.com/responsibility/safetyenviron\\_policy.html](http://www.eogresources.com/responsibility/safetyenviron_policy.html)

Contracts: N/A

Training Programs: [http://www.eogresources.com/responsibility/environmental.html#se\\_training](http://www.eogresources.com/responsibility/environmental.html#se_training)  
This link highlights the training initiatives that EOG Resources have put in place.

Reports: N/A

Lawsuits: N/A

Evaluation: N/A

Tracking mechanisms: N/A

Supplier Enforcements: [http://www.eogresources.com/responsibility/environmental.html#our\\_suppliers](http://www.eogresources.com/responsibility/environmental.html#our_suppliers)  
EOG Resources encourages its suppliers to practice environmentally sustainable initiatives in their work.

Second tier Suppliers: N/A

Dow Jones Sustainability Index: No

Newsweek Green Score: 36.9, Ranked 28th of 31 in Industry (2012)

Miscellaneous: N/A

## 6. EXXON MOBIL

SRM Evaluation

Supplier Website: <https://cvmas08.cvmsolutions.com/ExxonMobil/CVMHELP/Exxon%20Mobil%20Vendor%20Profile%20Form.pdf> <https://cvmas08.cvmsolutions.com/Exxon-Mobil/>

Contacts: N/A

Summary: Generally focuses on the downstream side of providing gasoline. For each country, a site is listed for the brands available, i.e Exxon or Mobil, etc.

Partnership Guidelines: NA

Lawsuits: NA

Best Practices: 2011 Corporate Citizenship Report. Exxon highlights the amount of spend it has with minority and women-owned business around the world with just under \$1 billion direct spend and roughly \$200 million in indirect spend.

Exxon Mobil adopts mySAP.com as its 'primary backbone'

Merged oil giant looks to standardize its ERP systems using controversial platform (Both Exxon and Mobil have used SAP since 1980's) <http://www.computerworld.com/action/article.do?command=viewArticleBasic&articleId=52715>

Vendor Recognition: N/A

Company Recognition: N/A

Miscellaneous: N/A

---

**Consumer Products Sustainability****LHR Evaluation**

Code of Conduct Evaluation: [http://www.exxonmobil.com/Corporate/investor\\_governance\\_ethics.aspx](http://www.exxonmobil.com/Corporate/investor_governance_ethics.aspx)

Exxon has a Standards of Business Conduct that guide its business efforts and address human rights, environmental sustainability and labor laws.

**Contracts Evaluation:**

"In 2008, as part of our regular internal audits and OIMS internal and external assessments, we will continue to test and validate compliance of ExxonMobil majority-owned affiliates with our Framework as well as expectations for government-assigned and private security providers." (Exxon does regular internal and external audits)

**Supplier Monitoring/Evaluations:**

(p40) 1/3 companies subjected to internal audits; employs 250 trained auditors

**Labor related Lawsuits:N/A**

Community Involvement: [http://www.exxonmobil.com/Corporate/community\\_contributions\\_guidelines.aspx](http://www.exxonmobil.com/Corporate/community_contributions_guidelines.aspx)

<http://www.exxonmobil.com/Corporate/community.aspx> (2011: Exxon is involved in education, health, and giving of areas they do business outside of the US)

**Tracking Mechanisms:**

Miscellaneous: N/A

Awards won: [http://www.exxonmobil.com/Corporate/community\\_ccr\\_awards\\_archive.aspx](http://www.exxonmobil.com/Corporate/community_ccr_awards_archive.aspx)

Highlights awards won by Exxon for corporate citizenship – not updated since 2009.

**Environmental Sustainability Evaluation**

[http://www.exxonmobil.com/Corporate/community\\_ccr\\_globalstories\\_supplychain.aspx](http://www.exxonmobil.com/Corporate/community_ccr_globalstories_supplychain.aspx)

[http://www.exxonmobil.com/corporate/files/corporate/community\\_ccr\\_performance.pdf](http://www.exxonmobil.com/corporate/files/corporate/community_ccr_performance.pdf)

2013: ExxonMobil is working with our suppliers to identify sustainable alternatives throughout the supply chain. Our procurement organization's Total System Cost approach is intended to identify and reduce waste and inefficiency in the supply chain. Additionally, our global sourcing strategy development process encourages the consideration of environmental performance when making sourcing decisions)

Code of Conduct: N/A

Contracts: N/A

Training Programs: [http://www.exxonmobil.com/Corporate/community\\_local\\_workforce.aspx](http://www.exxonmobil.com/Corporate/community_local_workforce.aspx)

Exxon has placed an emphasis on hiring locally and training those individuals to perform the necessary job requirements.

Reports: [http://www.exxonmobil.com/Corporate/community\\_ccr.aspx](http://www.exxonmobil.com/Corporate/community_ccr.aspx) Exxon publishes a Corporate Citizenship Report

Lawsuits: <http://www.ktvq.com/news/landowners-file-fresh-lawsuit-against-exxon-mobil-in-oil-spill-aftermath/> Exxon is currently facing two lawsuits from a total of 26 Montana landowners over a spill of approximately 70,000 gallons of crude oil into the Yellowstone River in June 2011. The lawsuit was filed in October of 2012 and a trial is set for October 2013.

---

 Consumer Products Sustainability

Evaluation: [http://www.exxonmobil.com/Corporate/safety\\_env\\_sustain.aspx](http://www.exxonmobil.com/Corporate/safety_env_sustain.aspx)

Exxon conducts Environmental, Socioeconomic, and Health Impact Assessments (ESHIA) on all of its projects over the course of their life cycle. Using this Exxon will make necessary changes or accommodations for any identified impact.

Tracking mechanisms: [http://www.exxonmobil.com/Corporate/community\\_ccr\\_panelfeedback.aspx](http://www.exxonmobil.com/Corporate/community_ccr_panelfeedback.aspx)

Exxon has an external panel of experts that provide feedback and guidance on issues of corporate citizenship.

Supplier Enforcements: N/A

Second tier Suppliers: N/A

Dow Jones Sustainability index: Yes <http://www.sustainability-indexes.com/library/factsheets.jsp>.  
 "Dow Jones Sustainability North America Index"

Newsweek Green Score: 47.1, Ranked 13th of 31 in Industry (2012)

Miscellaneous: N/A

7. FREEPORT MCMORAN COPPER

SRM Evaluation

Supplier Website:

Vendor information portal

<https://service.ariba.com/Supplier.aw/1461743/aw?awh=r&awssk=GLMFgNA9&dard=1&ancdc=1>

Ariba, Inc. is a provider of Enterprise Spend Management (ESM) solutions. Freeport-McMoRan has engaged Ariba to provide Supplier Enablement, Catalog implementation and global standardization of our Procure-to-Pay business processes. Also provides training for suppliers to use.

Contacts

Brian Esser, Vice President, Global Supply Chain, Phone - 602.366.7856

Summary

Freeport-McMoRan Copper & Gold Inc. (FCX) is a leading international mining company with headquarters in Phoenix, Arizona. FCX operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. FCX is the world's largest publicly traded copper producer and has a dynamic portfolio of operating, expansion and growth projects in the copper industry. FCX is also the world's largest producer of molybdenum and a significant gold producer.

Partnership Guidelines:

Freeport-McMoRan Global Supply Chain has developed a unique initiative called the "Hourglass".  
[http://www.fcx.com/company/g\\_hourglass.htm](http://www.fcx.com/company/g_hourglass.htm)

Contracts Administration

[http://www.fcx.com/company/g\\_contractadmin.htm](http://www.fcx.com/company/g_contractadmin.htm)

Lawsuits:

Lawsuits filed over Freeport takeovers

## Consumer Products Sustainability

[http://newsandinsight.thomsonreuters.com/Legal/News/2013/01/\\_January/Freeport\\_deals\\_lead\\_to\\_flurry\\_of\\_lawsuits\\_against\\_directors/](http://newsandinsight.thomsonreuters.com/Legal/News/2013/01/_January/Freeport_deals_lead_to_flurry_of_lawsuits_against_directors/)

## Best Practices:

Ariba Supplier Network <https://service.ariba.com/Supplier.aw/741208/aw?awh=r&aws=pTe8E4secoVaahd3&awssk=&dard=1> Ariba, Inc. is a provider of Enterprise Spend Management (ESM) solutions. Freeport-McMoRan has engaged Ariba to provide Supplier Enablement, Catalog implementation and global standardization of our Procure-toPay business processes. Also provides training for suppliers to use.

Freeport-McMoRan utilizes e-catalogs with their internal e-Procurement system, Ariba Buyer. Suppliers participating in the Ariba Supplier Network provide catalog content via Ariba CIF and/or AribaPunchou

## List of FCX commodities needed

[http://www.fcx.com/company/g\\_commodity.htm](http://www.fcx.com/company/g_commodity.htm)

## Electronic payment

[http://www.fcx.com/company/faq\\_fund.htm](http://www.fcx.com/company/faq_fund.htm)

## Vendor Recognition: NA

## Company Recognition: NA

## Miscellaneous:

[http://www.fcx.com/company/g\\_training.htm](http://www.fcx.com/company/g_training.htm)

[http://www.fcx.com/company/g\\_sup-train.htm](http://www.fcx.com/company/g_sup-train.htm)

## LHR Evaluation

## Code of Conduct Evaluation:

No specific code that addresses LHR framework, they do have a policy [http://www.fcx.com/envir/pdf/policies/2009/HumanRightsPolicyBoard%20\\_3Feb09.pdf](http://www.fcx.com/envir/pdf/policies/2009/HumanRightsPolicyBoard%20_3Feb09.pdf)  
[http://www.fcx.com/envir/wtsd/pdf-wtsd/2011/WTSD\\_Bk\\_2011.pdf](http://www.fcx.com/envir/wtsd/pdf-wtsd/2011/WTSD_Bk_2011.pdf)

(2011: p10Sustainability targets, Human Rights;

## Contracts Evaluation:N/A

## Supplier Monitoring/Evaluations: N/A

## Labor related lawsuits:NA

## Community Involvement

Makes contributions to areas they are involved, p6 of sustainability report

<http://www.fcx.com/envir/pdf/gri/2007/Social%20.pdf>

## Tracking Mechanisms

[http://www.fcx.com/envir/soc\\_hr.htm](http://www.fcx.com/envir/soc_hr.htm)

---

**Consumer Products Sustainability**

Since 2005, Freeport-McMoRan has sought independent verification of its annual sustainability reports, including selected performance data, statements on processes and achievements, and conformance to the GRI guidelines.

<http://www.voluntaryprinciples.org/principles/introduction>

(2011: Voluntary principles of LHR are followed)

#### Miscellaneous

Global Reporting Initiatives on various labor indicators such as hours worked, benefits, type of employment, training, etc.

Board member receives the 2001 Human Rights Award from the Minnesota Advocates for Human Rights on June 12 at an event in Minneapolis.

Last page lists awards won, one is for corporate citizenship

[http://www.fcx.com/envir/pdf/policies/FCX\\_Volun\\_Princi\\_Plen\\_Report\\_21\\_Feb\\_2011\\_final.pdf](http://www.fcx.com/envir/pdf/policies/FCX_Volun_Princi_Plen_Report_21_Feb_2011_final.pdf)

(2011: 2010 report on human rights policies in place and measures taken to protect labor human rights.)

#### Environmental Sustainability Evaluation

Code of Conduct:

[http://www.fcx.com/envir/pdf/policies/Envirn/EnvPol\\_jul07.pdf](http://www.fcx.com/envir/pdf/policies/Envirn/EnvPol_jul07.pdf)

<http://www.fcx.com/envir/wtsd/pdf-wtsd/2007/wtsd2007.pdf>

Contracts: NA

Training Programs: NA

Reports:

[http://www.fcx.com/envir/wtsd/pdf-wtsd/2010/WTSD\\_Bk\\_2010.pdf](http://www.fcx.com/envir/wtsd/pdf-wtsd/2010/WTSD_Bk_2010.pdf)

(p34 Environmental reports present)

[http://www.fcx.com/ir/AR/2010/FCX\\_AR\\_2010.pdf](http://www.fcx.com/ir/AR/2010/FCX_AR_2010.pdf)

( p17 FCX reports its sustainability performance according to the Global Reporting Initiative)

Lawsuits: None

Evaluation:

Specific environmental targets set; outcome documented

Tracking mechanisms:

[http://www.fcx.com/envir/wtsd/pdf-wtsd/2011/WTSD\\_Bk\\_2011.pdf](http://www.fcx.com/envir/wtsd/pdf-wtsd/2011/WTSD_Bk_2011.pdf)

(p34 Specific targets set regarding different environmental measures, outcome is tracked and documented)

---

 Consumer Products Sustainability

---

[http://www.fcx.com/envir/envir\\_compliance.htm](http://www.fcx.com/envir/envir_compliance.htm)

(Fifteen internal environmental audits were conducted in 2010. All sites have corrective and preventive action management systems for audit findings and incidents. These systems include root cause analyses, development of action plans, and tracking plans through to closure.)

Supplier Enforcements: NA

Dow Jones Sustainability index: Yes

Newsweek green score: NO

Miscellaneous: NA

8. Halliburton

SRM Evaluation  
 Supplier Website:

<http://www.halliburton.com/AboutUs/default.aspx?navid=979&pageid=2294>

Contacts

Brittany Barton, Manager, Global Supplier Diversity [supplierdiversity@halliburton.com](mailto:supplierdiversity@halliburton.com)

Summary

Moving through the supplier registration databases shows the list of commodities that they can use. Gives detailed instruction of requirements for registration.

Partnership Guidelines: NA  
 Lawsuits: NA

Best Practices: NA

Vendor Recognition: NA

Company Recognition: NA

Miscellaneous: [http://www.halliburton.com/public/about\\_us/pubsdata/sd/CSR2011.pdf](http://www.halliburton.com/public/about_us/pubsdata/sd/CSR2011.pdf)

LHR Evaluation

Code of Conduct Evaluation: [http://www.halliburton.com/public/about\\_us/pubsdata/sd/CSR2011.pdf](http://www.halliburton.com/public/about_us/pubsdata/sd/CSR2011.pdf)

Contracts Evaluation: NA

Supplier Monitoring/Evaluations

[http://www.halliburton.com/public/about\\_us/pubsdata/sd/CSR2011.pdf](http://www.halliburton.com/public/about_us/pubsdata/sd/CSR2011.pdf)

Labor related lawsuits NA

Community Involvement <http://www.halliburton.com/AboutUs/default.aspx?navid=982&pageid=2349>

---

 Consumer Products Sustainability

{Halliburton is involved in the community in over 70 different countries}

Tracking Mechanisms NA

Miscellaneous NA

Environmental Sustainability Evaluation

[http://www.halliburton.com/public/about\\_us/pubsdata/sd/CSR2011.pdf](http://www.halliburton.com/public/about_us/pubsdata/sd/CSR2011.pdf)

(Sustainability efforts but nothing mentions about supplier enforcement)

Code of Conduct: N/A

Contracts: N/A

Training Programs: N/A

Reports:

[http://www.halliburton.com/public/about\\_us/pubsdata/sd/CSR2011.pdf](http://www.halliburton.com/public/about_us/pubsdata/sd/CSR2011.pdf) (Sustainability report)

Lawsuits: N/A

Evaluation: N/A

Tracking mechanisms: N/A

Supplier Enforcements:

Second tier Suppliers: N/A

Dow Jones Sustainability index: Yes

Newsweek green score: 71.87

Miscellaneous: N/A

#### 9. HESS CORP

SRM Evaluation

Supplier Website:

<http://www.hess.com/reports/sustainability/US/2008/How%20We%20Operate/OurSuppliers.aspx>

Contacts: N/A

#### Summary

2013: Hess Corporation (NYSE: HES) is a leading global independent energy company with headquarters in New York City and 12,432 employees operating across the globe. The company is engaged in the exploration and production of crude oil and natural gas, as well as refining and marketing petroleum products, natural gas and electricity. We have a strong leadership team and a focused professional staff that are positioning the company for long-term financial strength and stability. We are committed to meeting the highest standards of corporate citizenship by ensuring a safe and healthy workplace, safeguarding the environment and making a lasting and positive impact on the communities where we do business.

(Source: <http://www.hess.com/reports/sustainability/US/2008/Our%20Company/default.aspx> )

<http://www.hess.com/company/history/default.aspx>

---

**Consumer Products Sustainability****Partnership Guidelines:**

2013: Supplier Screening Hess conducts quarterly debarment processing of its suppliers to ensure compliance with the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the U.S. Patriot Act. Contracts for goods and services typically include requirements for supplier compliance with applicable laws and regulations and Hess policies in areas such as safety, health, environment, process safety, drug and alcohol use, business ethics, conflicts of interest, the Foreign Corrupt Practices Act and labor practices. Internationally, E&P operations have incorporated provisions relating to adherence to the Voluntary Principles into selected supplier contracts following risk evaluations.

<http://www.hess.com/reports/sustainability/US/2008/How%20We%20Operate/OurSuppliers.aspx>

**Supplier Diversity:**

2013: In the United States the company relies on the U.S. Small Business Administration's (SBA) definitions for small, minority owned and women owned businesses, as well as other SBA business categories. Purchasing data are compiled for the company's business operations in the United States, where we have major operations along the East Coast, and in Louisiana, North Dakota, Texas and the U.S. Virgin Islands.

In 2008 the company spent \$682 million for goods and services with small businesses out of a total of \$2.3 billion; \$68 million was spent with small diverse businesses. Hess Corporation worked with more than 10,000 U.S. suppliers. Between 2007 and 2008, the company spent more than \$200 million with small suppliers that grew to become large business enterprises. HOVENSA purchased \$433 million in goods and services available under the SBA's programs from more than 2,000 U.S. suppliers. Twenty-five percent of those were small businesses that accounted for approximately \$55 million in purchases.

<http://www.hess.com/reports/sustainability/US/2008/How%20We%20Operate/OurSuppliers.aspx>

Lawsuits: N/A

Best Practices: N/A

Vendor Recognition: N/A

**Company Recognition:**

<http://www.hesscorporation.com/newsletters/safetyrecognition.htm>

Miscellaneous: About its supply chain: The petroleum industry depends on its suppliers for most materials and services. In 2006 our total U.S. spending with third party suppliers was approximately \$1.9 billion. The oil and gas industry requires safe, high-performance equipment and personnel. We work with our direct suppliers to improve processes and insure adherence to Hess standards. Our long term view is to develop relationships with suppliers who share our values around ethics, integrity, safety, environmental protection and social responsibility. We contractually require our suppliers to comply with all environment, health, safety and labor laws for themselves and their subcontractors. Environment, health and safety criteria and adherence to drug and alcohol policies are also included in our contracts with suppliers.

In 2006 Hess Corporation purchased 37% (\$716 million) of materials and services used in the United States from more than 3,800 minority and women owned businesses. Most of these suppliers are located in the communities where we conduct business such as New Jersey, Texas and North Dakota. Purchasing from these small businesses brings quality and competitive pricing and strengthens communities in which we live and work. Our Supplier Diversity Program ensures that qualified minority owned and women owned suppliers are included in our procurement sourcing process.

## Consumer Products Sustainability

Implementation of SAP ERP in 1997.

Implemented SAP Buyer in 2004.

<http://whitepapers.silicon.com/0,39024759,60080771p,00.htm>

By 1997, the "first phase" of Amerada Hess's "repositioning" program was announced as complete. Net income for 1996 had rebounded more than \$1 billion from 1995's loss, to \$660 million, and Amerada Hess's debt-to-capitalization ratio had been cut by almost \$800 million to 36.4 percent. With \$1 billion worth of exploration and production properties jettisoned, five new high-return oil and gas fields fully developed, and a commitment to streamline its administrative operations by adopting SAP's enterprise planning software, Amerada viewed its goal of moving into the top one-third of U.S. oil companies by the year 2000 with some optimism.

<http://www.answers.com/topic/amerada-hess-corporation>

Strategic sourcing exists

<http://www.infoshop-japan.com/conference/procurement-oil-gas09/catalog.pdf>

LHR Evaluation

Code of Conduct Evaluation:

Hess Corp has various initiatives related to labor safety.

<http://www.hess.com/sustainability/environment/default.aspx>

<http://www.hess.com/sustainability/environment/policies.aspx>

<http://www.hess.com/reports/sustainability/US/2008/How%20We%20Operate/TransparencyandHumanRights.aspx>

<https://www.compliance-helpline.com/hesshotline/>

[http://media.corporate-ir.net/media\\_files/irol/10/101801/corpgov/CODEOFCONDUCT.pdf](http://media.corporate-ir.net/media_files/irol/10/101801/corpgov/CODEOFCONDUCT.pdf)

Contracts Evaluation: N/A

Supplier Monitoring/Evaluations: Supplier Screening Hess conducts quarterly debarment processing of its suppliers to ensure compliance with the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the U.S. Patriot Act. Contracts for goods and services typically include requirements for supplier compliance with applicable laws and regulations and Hess policies in areas such as safety, health, environment, process safety, drug and alcohol use, business ethics, conflicts of interest, the Foreign Corrupt Practices Act and labor practices. Internationally, E&P operations have incorporated provisions relating to adherence to the Voluntary Principles into selected supplier contracts following risk evaluations.

Reporting: N/A

Second-tier suppliers: N/A

Labor related lawsuits: Hess Corp has multiple labor related lawsuits.

<http://caselaw.findlaw.com/us-7th-circuit/1246613.html>

<http://www.floridaemploymentlawyerblog.com/2010/10/hess-corporation-sued-in-flori.html>

<http://openjurist.org/689/f2d/396/sipe-v-amerada-hess-corporation>

<http://hr.cch.com/news/safety/062409a.asp>

OSHA has cited Hess Corp. for workplace safety and health violations, with proposed fines totaling \$141,500.

Community Involvement:

2013: The health and well-being of our communities and our people are of paramount concern. Before we make a major investment anywhere in the world, we conduct an Environmental and Social Impact Assessment to understand the potential effect of our operations. We partner with host governments, community groups and other stakeholders to develop programs that can make a measurable and sustainable difference.

The focus of our support is primarily on making measurable advances in education and health

## Consumer Products Sustainability

care, two areas that help determine the long term success of any society. The efforts of our workforce are an important part of our social responsibility mission. Every Hess employee is encouraged to lend time, energy and expertise to community based organizations.

In 2008 we invested \$21 million in social causes around the world, a 29 percent increase over 2007. Of that, 49 percent was spent on education and 12 percent on health. We also contributed \$3 million to the Greater Houston Community Foundation to support hurricane relief efforts along the Gulf Coast of the U.S.

In addition, HOVENSA spent \$3.5 million on social programs in 2008, with \$2.3 million dedicated to education and \$1.1 million dedicated to community projects. The International Craft Training Program, which was established in 2007, was the primary recipient of these educational funds.  
<http://www.hess.com/reports/sustainability/US/2008/Community%20and%20Social%20Performance/default.aspx>  
<http://www.hess.com/reports/sustainability/US/2008/Community%20and%20Social%20Performance/HurricaneResponse.aspx>  
<http://www.hess.com/reports/sustainability/US/2008/Community%20and%20Social%20Performance/AlgeriaandLibya.aspx>  
<http://www.hess.com/reports/sustainability/US/2008/Community%20and%20Social%20Performance/SocialResponsibilityinAction.aspx>  
[http://www.hess.com/company/CROaward\\_2.aspx](http://www.hess.com/company/CROaward_2.aspx)

Tracking Mechanisms: NA

Miscellaneous: NA

## Environmental Evaluation

## Code of Conduct:

<http://www.hess.com/reports/sustainability/US/2008/Environmental%20Performance/default.aspx> There is no specific code of conduct. However there are many different initiatives initiated by Hess.

## Sustainability Efforts

<http://www.hess.com/reports/sustainability/US/2008/Environmental%20Performance/default.aspx> <http://www.hesscorporation.com/downloads/reports/EHS/US/2011/default.pdf>

The company's operations are managed to avoid or minimize impacts to the environment. As a global organization we face the challenge of conducting operations in areas with sensitive or unique environmental characteristics. Our systematic approach to environmental management and our commitment to understanding the human and natural ecosystems in which we work provide us with a framework to meet these challenges.

## Contracts:

<http://www.hess.com/reports/sustainability/US/2008/How%20We%20Operate/OurSuppliers.aspx> Supplier contracts do enforce sustainability clauses (Hess environmental clauses)

Training Programs: N/A

## Reports:

<http://www.hess.com/reports/sustainability/US/2008/Our%20Company/Performance-Data.pdf>

Lawsuits: N/A

Evaluation: N/A

Tracking mechanisms: N/A

## Consumer Products Sustainability

## Supplier Enforcements:

<http://www.hess.com/reports/sustainability/US/2008/How%20We%20Operate/OurSuppliers.aspx> Supplier enforcements are a part of supplier contracts.

Second tier Suppliers: N/A

Dow Jones Sustainability index: Yes

2013 Newsweek green score: 58

Miscellaneous: N/A

10. MARATHON OIL

## SRM Evaluation

Supplier Website:

<http://marathontest.aecglobal.com/login.aspx>  
(2013: Supplier portal site)

## Contacts

[http://www.marathonoil.com/Suppliers/Global\\_Procurement/](http://www.marathonoil.com/Suppliers/Global_Procurement/)  
(2013: Procurement contact: GPUstream@marathonoil.com)

Summary: Marathon Oil Corporation (NYSE: MRO) is an integrated international energy company engaged in exploration and production; oil sands mining; integrated gas; and refining, marketing and transportation.

Marathon, which is based in Houston, Texas, has principal operations in the United States, Angola, Canada, Equatorial Guinea, Gabon, Indonesia, Ireland, Libya, Norway and the United Kingdom. Marathon is the fourth largest United States-based integrated oil company and the nation's fifth largest refiner.

2013: Marathon Oil uses SAP and has supplier diversity program.

Marathon believes competitive strength is best achieved through a diverse group of people working together to find innovative energy solutions. Marathon desires to form business relationships with companies that can supply high-quality materials and services at competitive prices. To that end, Supplier Diversity is a proactive business initiative that seeks to give all business enterprises equal access to supply and service opportunities with Marathon Oil Company LLC.

Marathon is committed to the growth and success of our Supplier Diversity initiatives and continues to explore and increase opportunities with a diverse range of suppliers. Our goal is to provide minority-owned and women-owned businesses (MWBE's) the opportunity to compete on an equal basis and develop and strengthen our relationship with these business enterprises.

Marathon's Global Procurement organizations work to include MWBE's in the purchasing process. Marathon's procurement functions and processes are as varied as the products and services Marathon purchases. Typically, when a business unit or organization within Marathon needs to secure a product or service, the appropriate procurement representative is notified and the bid process begins. Marathon seeks, and will ultimately select, the supplier who can best offer quality, service, delivery, and competitive pricing.

<https://marathonoil.aecglobal.com/Default.aspx>

Partnership Guidelines: NA

Lawsuits: NA

Best Practices: <http://www.sap.com/press.epx?pressid=84> (2011: Marathon Oil uses SAP)

Vendor Recognition: N/A

---

 Consumer Products Sustainability

Company Recognition: <http://www.armstronginternational.com/partnership-profiles-marathon-oil>

Miscellaneous: Defined Categories

[http://www.marathon.com/About\\_Marathon/Supplier\\_Relations/Goods\\_and\\_Services/](http://www.marathon.com/About_Marathon/Supplier_Relations/Goods_and_Services/)  
<https://marathonoil.aecglobal.com/Default.aspx> (2011: Supplier diversity program)

LHR Evaluation

Code of Conduct Evaluation:

<http://voluntaryprinciples.org/reports/2005/company-efforts-specific.php>

Participants, including governments, companies and NGOs, must meet the following criteria:

Publicly promote the Voluntary Principles;  
 Proactively implement or assist in the implementation of the Voluntary Principles;  
 Attend plenary meetings and, as appropriate and commensurate with resource constraints, other sanctioned extraordinary and in-country meetings;  
 Communicate publicly on efforts to implement or assist in the implementation of the Voluntary Principles at least annually. Prepare and submit to the Steering Committee, one month prior to the Annual Plenary Meeting, a report on efforts to implement or assist in the implementation of the Voluntary Principles according to criteria agreed upon by the participants;  
 Participate in dialogue with other Voluntary Principles Participants; and  
 Subject to legal, confidentiality, safety, and operational concerns, provide timely responses to reasonable requests for information from other Participants with the aim of facilitating comprehensive understanding of the issues related to implementation or assistance in implementation of the Voluntary Principles.

Contracts Evaluation: N/A

Supplier Monitoring/Evaluations:

Suppliers interested in pursuing procurement opportunities with Marathon Oil Corporation and our affiliates are encouraged to:

Become certified as a minority or women-owned business enterprise (MWBE) with one or more of our recognized certification organizations.  
 Learn about doing business with large corporations by attending various seminars and workshops.  
 Understand Marathon's operations and processes.  
 Complete the Supplier Registration Form and upload copies of your certification documents.  
 Marathon requires proof of certification in order to be eligible for our program. We accept certification from the following organizations and their regional affiliates:

National Minority Supplier Development Council (NMSDC)

Women's Business Enterprise National Council (WBENC)

[http://www.marathonoil.com/Suppliers/Supplier\\_Diversity/Supplier\\_Qualification/](http://www.marathonoil.com/Suppliers/Supplier_Diversity/Supplier_Qualification/)

Labor related lawsuits: N/A

Community Involvement: [http://www.marathon.com/content/documents/social\\_responsibility/living\\_our\\_values\\_reports/lov\\_report\\_2007\\_final.pdf](http://www.marathon.com/content/documents/social_responsibility/living_our_values_reports/lov_report_2007_final.pdf)

Tracking Mechanisms: NA

Miscellaneous: NA

Environmental Sustainability Evaluation

2013: [http://www.marathonpetroleum.com/Corporate\\_Citizenship/Health\\_Environment\\_Safety\\_Security/Environment/](http://www.marathonpetroleum.com/Corporate_Citizenship/Health_Environment_Safety_Security/Environment/)

## Consumer Products Sustainability

(Company's environmental efforts but nothing mentions about supplier)

Code of Conduct: N/A

Contracts: N/A

Training Programs: N/A

Reports: N/A

Lawsuits: 2013: [http://bismarcktribune.com/bakken/wrongful-death-suit-filed-in-relation-to-oil-field-death/article\\_fc980ed6-d1f3-11e1-b35b-0019bb2963f4.html](http://bismarcktribune.com/bakken/wrongful-death-suit-filed-in-relation-to-oil-field-death/article_fc980ed6-d1f3-11e1-b35b-0019bb2963f4.html)

Evaluation: 2013:[http://www.marathonpetroleum.com/Corporate\\_Citizenship/Health\\_Environment\\_Safety\\_Security/Management\\_Systems/](http://www.marathonpetroleum.com/Corporate_Citizenship/Health_Environment_Safety_Security/Management_Systems/)

Tracking mechanisms: N/A

Supplier Enforcements: N/A

Dow Jones Sustainability Index: No

2013 Newsweek green score: 55

#### Miscellaneous:

To drive health, environmental, safety and security (HES&S) performance throughout Marathon Petroleum Corporation's (MPC) business operations, we use risk-based management systems designed around the characteristic "plan-do-check-adjust" framework.

The adoption of the American Chemistry Council's Responsible Care Management System® takes a best practices approach to HES&S processes. Risk assessment and risk management are fundamental to MPC's management systems and are integrated into business and operating planning cycles and decision-making processes.

To drive further consistency, MPC complements our management systems with performance-based HES&S standards that provide expectations for organizational performance. Standards are periodically reviewed and updated to reflect changes in laws or regulations, incorporate recommendations arising from audits and incident investigations, and to continually improve performance.

Periodic audits are an important part of the process. MPC relies on a tiered audit program to maintain regulatory compliance, adhere to company standards and to achieve continual improvement. Tier I and II audits focus on compliance. Tier III audits test HES&S management system implementation and effectiveness. Both Tier II and Tier III audits are generally conducted with the assistance of a third-party expert. Corrective action plans address audit findings and corrective actions are tracked to their completion. Lessons learned from the audit are then shared across organizations. Key findings and trends from these audits are communicated to MPC's HES&S leadership and senior management.

[http://www.marathonpetroleum.com/Corporate\\_Citizenship/Health\\_Environment\\_Safety\\_Security/Management\\_Systems/](http://www.marathonpetroleum.com/Corporate_Citizenship/Health_Environment_Safety_Security/Management_Systems/)

11. NATIONAL OILWELL VARCO

#### SRM Evaluation

Supplier Website:

[http://www.nov.com/Supply\\_Chain/Become\\_a\\_Supplier.aspx](http://www.nov.com/Supply_Chain/Become_a_Supplier.aspx)

2013: supplier portal site: <https://nov.frictionless.com/fsvendor/vendordesktop/login?cookie-test=true&cid=nov.cluster.id>

(2013) Supply chain page: <http://www.nov.com/aboutnov.aspx?id=5236&linkidentifier=id&itemid=5236>

Contacts:

## Consumer Products Sustainability

National Oilwell Varco  
 Corporate Headquarters  
 7909 Parkwood Circle Dr.  
 Houston, TX 77036  
 Phone: 713 375 3700  
 Phone: 1 888 262 8645

## Summary:

National Oilwell Varco is a worldwide leader in the design, manufacture and sale of comprehensive systems and components used in oil and gas drilling and production, the provision of oilfield tubular inspection, internal tubular coatings and other services, as well as in providing supply chain integration services to the upstream oil and gas industry.

Partnership Guidelines: N/A

Lawsuits: N/A

## Best Practices:

<http://www.supplychainbrain.com/content/nc/industry-verticals/service-industries/single-article-page/article/national-oilwell-varco-decentralizes-its-planning-purchasing-worldwide/>

National Oilwell Varco, Houston, Texas-based supplier of equipment and components used in oil and gas drilling and production, has implemented a total inventory management solution (TIMS) that has improved customer satisfaction while reducing inventory, freight and transaction costs.

The most important operational change required a shift from a problematic centralized planning and purchasing system to a decentralized process that leverages front-line business intelligence at more than 140 locations worldwide. In fact, National Oilwell Varco's centralized planning and purchasing approach was jeopardizing the company's worldwide customer service. Centrally planned stocking levels failed to meet service requirements resulting in local stock purchases that distorted consumption level information. To meet customer requirements, field branch locations bypassed business process rules resulting in increased costs, SKUs and vendors.

National Oilwell Varco's supply chain management group was challenged to improve turn rates, inventory quality ratio, and the company's return on investments by improving the worldwide planning and purchasing process. Part of the challenge was to develop a solution that was simple enough for all field branch locations to learn and understand.

... continued article in the link above

Use of SAP ERP mentioned in the article

[Lakshmi: <http://www.nov.com/Products.aspx?Puid=wzHRXlgo1se9oD&nodeId=4OPMQ6NSTFZFCHCHEUWUALG6B6U%3D-WZHRXLGO1SE9OD>

National Oilwell Varco provides a true one-stop shop for the facilitation of procurement for maintenance, repair, operating (MRO) and capital goods. This reduces customers' total cost of ownership by providing one number to call, one invoice and one receipt, and by establishing ultimate accountability and predictability.

Product Standardization and Diagnostics

Distribution Services develops sourcing relationships for materials with the greatest strategic impact to our customers.

Supplier Management

National Oilwell Varco manages supplier relationships to optimize the customer's vendor base and together leverage our volume purchasing.

B2B Integrations

Business-to-Business (B2B) involves integrating to the customer's accounting and purchasing back office systems to greatly reduce costs, improve visibility, shorten cycle time, eliminate errors and

---

 Consumer Products Sustainability

further extend the value of the buyer/supplier relationship.

NOV streamlines their organization's operations and procurement functions by harnessing the power of accurate and timely information. We leverage technology to provide robust reporting functionality, bar-coding and e-signature, electronic shipment status confirmation, and automated approval routing.]

Vendor Recognition: N/A

Company Recognition: N/A

Miscellaneous: N/A

LHR Evaluation

Code of Conduct Evaluation: N/A

Contracts Evaluation: N/A

Supplier Monitoring/Evaluations: N/A

Reporting: N/A

Second-tier suppliers: N/A

Labor related lawsuits: NA

Community Involvement: NA

Tracking Mechanisms: NA

Miscellaneous: NA

Environmental Sustainability Evaluation

Code of Conduct: N/A

Contracts: N/A

Training Programs: N/A

Reports: N/A

Lawsuits: N/A

Evaluation: (2013) (<http://www.goodguide.com/companies/159714-national-oilwell-varco-incorporated>

[http://www.csrhub.com/CSR\\_and\\_sustainability\\_information/National-Oilwell-Varco?table=&sort=desc&order=Data+source+name&page=](http://www.csrhub.com/CSR_and_sustainability_information/National-Oilwell-Varco?table=&sort=desc&order=Data+source+name&page=)

Tracking mechanisms: N/A

Supplier Enforcements:

Second tier Suppliers: N/A

Dow Jones Sustainability index: No

## Consumer Products Sustainability

2013 Newsweek green score: 50

Miscellaneous: N/A

## 12. NEWMONT MINING CORP

### SRM Evaluation

#### Supplier Website:

<http://www.newmont.com/about/our-supply-chain/Invoice-Status-Portal>

Contacts <http://www.newmont.com/about/our-supply-chain/Global-Contacts>  
(2013: Supplier contact)

### Summary

Newmont's supply chain group is charged with creating operating and business efficiencies to allow our company to increase our returns and access more opportunities to fulfill one of our strategic corporate objectives. Our company spends about \$4 billion a year with 15,000 suppliers globally for products and services, so we must get the maximum value out of our supply chain. These expenditures include bulk commodities, contract services, mining equipment, process equipment, and transportation and logistics.

(2013) Newmont owns 60 percent of a Swiss gold refinery called Valcambi. In 2011, we mined 33 percent of the 429 tons of gold doré refined at Valcambi.

This relationship is a very positive one for the traceability of our product, as we are able to create separate refining channels for gold we mine. Gold historically has been shipped to refineries, melted and blended with gold that may have been mined using child labor or from a mine that contaminates the environment.

We are able to trace the spectrum of development to ensure the highest production standards are upheld.

[http://www.beyondthemine.com/2011/value\\_chain\\_stewardship/product\\_traceability/traceability\\_through\\_the\\_refining\\_process](http://www.beyondthemine.com/2011/value_chain_stewardship/product_traceability/traceability_through_the_refining_process)

Partnership Guidelines: N/A

### Lawsuits:

(2013): In August 2004, the Indonesian Ministry of Environment filed a US\$133.6 million civil lawsuit against Newmont,<sup>[25]</sup> claiming tailings from the company's Minahasa Raya mine polluted Buyat Bay in the North Sulawesi province, contaminating local fish stocks and causing nearby villagers to become seriously ill. Newmont denied the allegations, arguing that the illnesses had more to do with poor hygiene and poverty. On November 15, 2005, a South Jakarta court dismissed the suit on technical grounds, saying the government had breached the terms of its contract with Newmont when it took legal action before seeking arbitration. Environmentalists urged for the suit to be appealed, but on December 1, 2005, Environment Minister Rachmat Witoelar said the government expected to reach an out-of-court settlement with Newmont's local subsidiary. "By negotiating a settlement, we hope to be able to quickly compensate people living near the mine," he said. The government negotiating team was led by chief Economics Minister Aburizal Bakrie. On February 16, 2006, the Indonesian government announced it would settle the civil suit for US\$30 million to be paid over the next 10 years. The agreement also includes increased scientific monitoring and enhanced community development programs for the North Sulawesi province.

With the civil lawsuit settled, attention focused on the criminal charges against President Director Richard Ness. In December 2006, Newmont Mining Corp. objected to a documentary entitled Bye Bye Buyat being nominated for Indonesia's top film award, FFI's Citra Award. The company said that it interfered with Ness' ongoing trial.<sup>[26]</sup>

After a 21-month trial—one of the longest proceedings in Indonesian history—Ness was found inno-

## Consumer Products Sustainability

cent of the pollution charges on April 24, 2007.[27] The court found that the company was in compliance with all regulations and permits during its operations at the site, and failed to find evidence beyond a reasonable doubt that Nemont's subsidiary had polluted Buyat Bay. At the end of May, the prosecution appealed to the Supreme Court to overturn the ruling.[27]

A week after being found not guilty of criminal charges, Richard Ness sued The New York Times in Indonesian court for libel. The lawsuit asks for nearly US\$65 million in damages, and that The New York Times print a page-one retraction of previously published articles.[28]

[http://en.wikipedia.org/wiki/Newmont\\_Mining\\_Corporation](http://en.wikipedia.org/wiki/Newmont_Mining_Corporation)

Best Practices: [http://www.computerworld.com.au/article/140235/newmont\\_dumps\\_sap\\_min-com\\_mining\\_sector\\_rivalry\\_heats\\_up?relcomp=1](http://www.computerworld.com.au/article/140235/newmont_dumps_sap_min-com_mining_sector_rivalry_heats_up?relcomp=1)

Newmont is using Mincom Axis, a hosted B2B integration service, to act as an e-hub to facilitate the exchange of documents over the Internet directly to trading partners.

Transacting Electronically: <http://www.newmont.com/about/our-supply-chain/Transacting-Electronically>

Supplier Portal: <http://www.newmont.com/about/our-supply-chain/Invoice-Status-Portal>

#### Category Management:

Key to the success of this was adopting a category management approach. "Category management is fundamental to managing categories of business services and materials that have consistent behaviors a similar fashion at all levels: global, regional, and local," explains Throneberry, director of supply chain management for Newmont Mining Corp. The company developed consistent strategies for each category, such as OTR (off-the-road) tires, process equipment, and mobile equipment. It then began to manage each supply base consistently, irrespective of the individual suppliers in each supply base.

#### Supplier relationship management:

Newmont categorized suppliers into four quadrants. The bottom left quadrant (called Non-Critical) focuses on low-value, low-risk suppliers and supplies, mostly standard commodity items. The top left quadrant (called Leverage) focuses on high-value, low-risk suppliers and supplies. These are suppliers and supplies that are in a competitive market, but substitution is possible. The bottom right quadrant (called Bottleneck) focuses on low-value, high-risk suppliers and supplies. The top right quadrant (called Strategic) focuses on high value, high-risk suppliers and suppliers. The second component is a supplier scorecard program. Newmont utilizes three scorecards. One focuses on how Newmont performs as a buyer. The second is how the supplier performs relative to the goods or services it provides. The third is a technical or product scorecard that looks at how the product itself actually performs.

The third component is a continuous improvement initiative. This involves working together to create value for both parties. Key to success here has been to identify four tiers within the supplier relationship management framework, then implement the appropriate strategy in each for continuous improvement. The top tier is Alliance suppliers. The second is Strategic suppliers. The third is Preferred suppliers. The bottom tier is composed of Approved suppliers. "We have fewer suppliers at the top of the pyramid, in the Alliance category, but this is where we focus more of our time," Lance Throneberry, adds.]

(2013) <http://www.docstoc.com/docs/37712961/Case-Study---Newmont-Mining-Corporation>  
Oniqua's Procurement Strategizer Module is a powerful tool for procurement professionals to improve spend management, supplier performance and supplier relations. Oniqua Procurement Strategizer automates procurement analysis, so that managers and planners can spend more time working on sourcing projects and managing supplier relationships and less time collecting and manipulating data. The system incorporates modern procurement concepts, such as quadrant analysis and supplier score-carding to provide a framework which supports a change towards a value-added procurement function. These analytical tools allowed Newmont managers to:

---

 Consumer Products Sustainability

- track supplier performance using flexible score-cards
- manage and record supplier interactions
- identify and eliminate inefficiencies in the supply chain
- track price movements against external indicators
- identify opportunities for improved sourcing

Using the system to implement automated standards and measures helped procurement staff measure supplier performance, verify product quality and identify additional cost savings measures.

This “one application”, the Oniqua Analytics Suite or “OAS reaped the following benefits. Procurement teams spend less time collecting information, which allows them more time to analyze purchasing trends and inventory usage and make better decisions about supplier relationships and performance, improving the negotiation process. Maintenance teams are assured they have the right parts at the right time, reducing risk of costly downtime. Inventory teams can ensure they have the right amount of stock without over- or under-purchasing, making full use of warehouse space but not overholding costly stock items.

<http://www.webwire.com/ViewPressRel.asp?ald=228>

(2013) Newmont Mining required a solution that would help capture and analyze its spend data for its locations around the world. By implementing Ketera’s Spend Analysis solution, Newmont Mining is able to manage its corporate spend around the globe, enabling the company to forecast key opportunities in its strategic sourcing process to meet key objectives such as leveraging spend, rationalizing the supply base and developing consistent category strategies.]

Vendor Recognition:

2013: <http://www.newmont.com/about/our-supply-chain/Supplier-of-the-Year>

2010 Regional Supplier of the Year award recipients included:

Asia Pacific – WesTrac Group, a Caterpillar dealer, was selected for its excellent operational performance and commitment to environmentally conscious work at Newmont’s Boddington mine site.

Ghana – WBHO Ghana Ltd., provider of civil engineering expertise for our Ahafo operation, was recognized for working more than two million hours without a lost-time injury since 2006 and for promoting local supplier relationships.

North America – Small Mine Development, provider of underground contracted mining solutions to our Nevada operations, facilitated open dialogue and demonstrated flexibility to drive continuous improvement in operations and costs.

South America – Hitachi Construction Machine Co. Ltd. provides a comprehensive maintenance and repair service for machinery operating at Minera Yanacocha. HCMA S.A.C. was recognized for its commitment to community involvement and social responsibility, as well as its outstanding operational focus.

Company Recognition:

<http://www.allbusiness.com/company-activities-management/operations-supply/5665933-1.html>  
Newmont Indonesia Expects to Save US\$10 Million from Enhanced Supply Chain Collaboration and Improved Operational Efficiencies. Newmont Mining Corporation, the world’s largest gold producer, has been conferred the prestigious CIO Award by CIO Asia, a publication by IDG Communications.

This award was given in recognition of Newmont Indonesia’s remarkable business transformation following its implementation of Citrix access infrastructure. CIO Awards is an annual program organized by CIO Asia that recognizes Asian-based companies using technology to add value to their business, and leading the way through best practices and innovation.

Miscellaneous:

[http://www.computerworld.com.au/article/140235/newmont\\_dumps\\_sap\\_mincom\\_mining\\_sector\\_rivalry\\_heats\\_up/](http://www.computerworld.com.au/article/140235/newmont_dumps_sap_mincom_mining_sector_rivalry_heats_up/)

(2011: Newmont uses SAP)

(2013) Akyem, Ghana: Hall of Shame ‘winner’ 2009 of the Public Eye award

## Consumer Products Sustainability

Newmont received the 2009 Public Eye award for its Akyem project in Ghana. According to the jury it had destroyed unique natural habitats, carried out forced resettlement of local people and polluted soil and rivers.[29] Newmont described the information as misleading and said the project had been extensively studied by international and national environmental experts, members of the local communities, and by the appropriate governmental agencies and departments.[30] In March 2010 Newmont admits to pay a compensation "in accordance with the law".[31] January 2010: Ghanaian authorities litigate Newmont Mining for millions of dollars (reportedly 4.9 [32]). Newmont is accused of negligently spilling cyanide at its Ahafo gold mine in October 2009, resulting in water contamination and fish kills.[33]

[http://en.wikipedia.org/wiki/Newmont\\_Mining\\_Corporation](http://en.wikipedia.org/wiki/Newmont_Mining_Corporation)

LHR Evaluation

Code of Conduct Evaluation:

<http://www.newmont.com/about/code-of-conduct/our-relationships/gifts-and-gratuities/customers-suppliers>

Part of the code of conduct that mentions about guidelines for employees when they come across suppliers or customers

Contracts Evaluation: (2013)

We are an advocate of buying locally. We have many programs currently in place to ensure that local vendors are given adequate consideration or preference in some instances. These programs not only help support the development of local communities and small and medium enterprises, they also decrease environmental impacts by transporting goods a shorter distance.

Our vendors are contractually bound to continue to act in an environmentally sensitive and socially acceptable manner. This is done across our global supplier base of more than 35,000 suppliers.

[http://www.beyondthemine.com/2011/value\\_chain\\_stewardship/supply\\_chain\\_management/purchasing\\_from\\_local\\_suppliers](http://www.beyondthemine.com/2011/value_chain_stewardship/supply_chain_management/purchasing_from_local_suppliers)

Supplier Monitoring/Evaluations:

[http://www.beyondthemine.com/2011/managing\\_sustainably/management\\_system/assessing\\_sustainability\\_management\\_performance](http://www.beyondthemine.com/2011/managing_sustainably/management_system/assessing_sustainability_management_performance)

[http://www.beyondthemine.com/2011/value\\_chain\\_stewardship/supply\\_chain\\_management](http://www.beyondthemine.com/2011/value_chain_stewardship/supply_chain_management)

Reporting: N/A

Second-tier suppliers: N/A

Labor related lawsuits: N/A

Community Involvement: <http://www.newmont.com/about/values/code-of-conduct/our-commitment-to-communities> [http://www.beyondthemine.com/2011/community\\_relationships/performance/community\\_relationships\\_review](http://www.beyondthemine.com/2011/community_relationships/performance/community_relationships_review)

Tracking Mechanisms: N/A

Miscellaneous: N/A

Environmental Sustainability Evaluation

<http://www.newmont.com/features/our-environment-features>

Code of Conduct:

[http://www.beyondthemine.com/2010/managing\\_for\\_sustainability/supply\\_chain/](http://www.beyondthemine.com/2010/managing_for_sustainability/supply_chain/)

(2013: Suppliers are expected to act in an environmentally sensitive and socially acceptable manner. Newmont works with others in the supply chain to align programs in a fashion that allows for continued and uninterrupted business transactions. )

---

 Consumer Products Sustainability

---

 Contracts: N/A

Training Programs: N/A

Reports: <http://www.beyondthemine.com/2010/>

Lawsuits: (2013) See above for lawsuits

Evaluation: N/A

Tracking mechanisms: N/A

Supplier Enforcements: N/A

2013 Dow Jones Sustainability index: Yes

2013 Newsweek green score: 50

Miscellaneous: N/A

13. Nucor Corp.  
 SRM Evaluation  
 Supplier Website: N/A  
 Contacts:  
 704.366.7000

Summary: Nucor Corp provides a code of conduct on their supplier code of conduct governance page as well as links to the Board of Directors, Executives, Principals, and Standards of Business Conduct and Ethics. (this is not a place for suppliers to sign in or register)

Partnership Guidelines:

2013: Nucor Corporation (with its subsidiaries, "Nucor") has a long history of conducting its businesses in a manner consistent with high standards of social responsibility. In order to continue promoting this goal in the future, Nucor is requiring that each contractor and supplier (individually a "Supplier" and collectively "Suppliers") comply with the following code of conduct ("Code"), and each Supplier will be asked to acknowledge its compliance with the Code. The principles and values expressed by the Code reflect Nucor's ongoing commitment to social responsibility and human dignity. <http://www.nucor.com/governance/supplier/>

Lawsuits:

<http://www.nucor.com/investor/news/releases/?rid=1350848>

Nucor-Yamato Steel Company prevails in a lawsuit that was finally heard by a jury in Jonesboro, Arkansas.

Best Practices:

<http://www.nucor.com/responsibility/safety/practices/>

Technology-enabled communications, mixed with face-to-face sessions are helping Nucor safety coordinators instantaneously share what they learn with their peers.

Vendor Recognition: N/A

Company Recognition:

<http://www.nucor.com/responsibility/environment/awards/>
[http://www.quakerchem.com/about\\_us/about\\_quality\\_awards.html](http://www.quakerchem.com/about_us/about_quality_awards.html)

Nucor Steel received the Safety Excellence award from Quaker chemicals

(2013) Nucor Corporation has earned the following awards and recognitions: Norfolk Southern

---

**Consumer Products Sustainability**

---

Zero Incident Award from 2006-2009; Charlotte Business Journal Green for Profit Business Award in the Green Awards 2008 co-sponsored by the Charlotte Region Chapter United States Green Building Council (USGBC); CSX Environmental Award in 2009 for 114,478 tons of CO2 emissions avoided and in 2010 for 63,720 tons of emissions avoided.

Miscellaneous: NA

LHR Evaluation

Summary:

<http://www.nucor.com/governance/supplier/>

Nucor is requiring that each contractor and supplier (individually a "Supplier" and collectively "Suppliers") comply with the following code of conduct ("Code"), and each Supplier will be asked to acknowledge its compliance with the Code

Code of Conduct Evaluation:

<http://www.nucor.com/governance/supplier/>

Suppliers must not utilize involuntary labor of any type. This shall include, but not be limited to, forced, indentured, bonded or prison labor. Suppliers must not utilize child labor.

Contracts Evaluation: NA

Supplier Monitoring/Evaluations: NA

Reports:

Labor related lawsuits: [http://www2.counton2.com/news/2009/aug/18/discrimination\\_suit\\_against\\_nucor\\_steel\\_given\\_clas-ar-538987/](http://www2.counton2.com/news/2009/aug/18/discrimination_suit_against_nucor_steel_given_clas-ar-538987/)

Nucor Steel Berkeley fired back against claims of racial discrimination against black workers, saying they will challenge their accuser's lawsuit status and fight through any trial

Community Involvement:

<http://www.nucor.com/responsibility/community/>

Verco Decking, Inc took part in the 25th Anniversary California Coastal Cleanup. In 2008, The Antioch team members collaborated with the U.S. Fish and Wildlife to clean the Antioch Dunes National Wildlife Refuge; this is home to at least three known endangered species, and the only place in the world they exist – Lange's Metalmark Butterfly, Antioch Dunes Evening Primrose, and the Contra Costa Wallflower.

Tracking Mechanisms: NA

Miscellaneous: NA

Environmental Sustainability Evaluation

Code of Conduct:

<http://www.nucor.com/governance/supplier/index.php?page=2>

Suppliers should strive to minimize impact on the environment from their operations and, at a minimum, must operate in compliance with applicable environmental laws, rules, regulations and ordinances.

Contracts: NA

Training Programs: N/A

Lawsuits: (2013) <http://www.nucor.com/investor/news/releases/?rid=1350848>

Evaluation: NA

---

 Consumer Products Sustainability

Tracking mechanisms: NA

Reports: (2013) <http://www.nucor.com/sustainability/2011/online/index.html>

Supplier Enforcements: NA

Second tier Suppliers: NA

Dow Jones Sustainability index: No

2013 Newsweek green score: 35.3

Miscellaneous:

Nucor Corp has SAP implementation

14. Occidental Petroleum Corp.

SRM Evaluation

Supplier Website:

<http://www.oxy.com/OurBusinesses/OilAndGas/DBWU/Pages/overview.aspx>

Contacts: <http://www.oxy.com/Information/Pages/ContactUs.aspx>

Summary:

Occidental Petroleum Corporation (NYSE: OXY) is an international oil and gas exploration and production company. Oxy engages in oil and natural gas exploration, production, transportation and marketing. OxyChem, a wholly owned subsidiary, manufactures and markets chlor-alkali products and vinyls.

Partnership Guidelines: NA

Lawsuits:

<http://www.earthrights.org/legal/indigenous-peruvians-sue-occidental-petroleum>

EarthRights International (ERI) and the law firm SchonbrunDeSimoneSeplow Harris & Hoffman LLP (SDSHH) today brought suit on behalf of twenty-five indigenous Achuar plaintiffs from the Peruvian Amazon against Los Angeles-based Occidental Petroleum Corp. (Oxy), alleging egregious harm caused by Oxy over a thirty-year period in the Corrientes River basin during which Oxy contaminated the rivers and lands of the indigenous Achuar communities, causing death, widespread poisoning and destruction of their way of life.

Best Practices: <http://www.earthrights.org/legal/indigenous-peruvians-sue-occidental-petroleum>

Vendor Recognition: NA

Company Recognition: NA

Miscellaneous: NA

LHR Evaluation

Summary: [http://www.oxy.com/SiteCollectionDocuments/code\\_of\\_business\\_conduct.pdf](http://www.oxy.com/SiteCollectionDocuments/code_of_business_conduct.pdf)

With respect to its contractors and suppliers, Occidental's commitment includes promoting respect for ethical conduct and Human Rights with the contractors and suppliers and demonstrating Code of Conduct

---

**Consumer Products Sustainability**

Evaluation:[http://www.oxy.com/SiteCollectionDocuments/code\\_of\\_business\\_conduct.pdf](http://www.oxy.com/SiteCollectionDocuments/code_of_business_conduct.pdf)

These Human Rights include, among other rights and freedoms, the right to a safe

work environment, the right not to be discriminated against or harassed on the basis of race or religion, the right to compensation that meets basic needs as well as the right to a workplace free of child labor and slave labor

Contracts Evaluation: NA

Supplier Monitoring/Evaluations: NA

Reports: NA

Labor related lawsuits: NA

Community Involvement: <http://www.oxy.com/SR/Pages/Welcome.aspx>

At Oxy, social responsibility is a core value, integral to our success as a respected global company helping to meet the world's energy needs. Strong social responsibility programs are fundamental to our goal of maintaining Oxy's reputation as a partner of choice, employer of choice and neighbor of choice.

Tracking Mechanisms: NA

Miscellaneous: NA

Environmental Sustainability Evaluation

Code of Conduct:

[http://www.oxy.com/SiteCollectionDocuments/code\\_of\\_business\\_conduct.pdf](http://www.oxy.com/SiteCollectionDocuments/code_of_business_conduct.pdf)

Protecting the health and safety of communities, Employees of the Company and its contractors, and the environment is one of the Company's highest priorities and should be considered in every aspect of the Company's operations.

Contracts: NA

Training Programs:

<http://www.oxy.com/OurBusinesses/OilAndGas/DBWU/Pages/Training.aspx>

The iSupplier Portal Training Simulations allow users to see and try key iSupplier Portal functions.

Reports: [http://www.oxy.com/sr/Documents/OxySR\\_10.pdf](http://www.oxy.com/sr/Documents/OxySR_10.pdf)

Lawsuits: <http://www.earthrights.org/legal/indigenous-peruvians-sue-occidental-petroleum>

EarthRights International (ERI) and the law firm SchonbrunDeSimoneSeplow Harris & Hoffman LLP (SDSHH) today brought suit on behalf of twenty-five indigenous Achuar plaintiffs from the Peruvian Amazon against Los Angeles-based Occidental Petroleum Corp. (Oxy), alleging egregious harm caused by Oxy over a thirty-year period in the Corrientes River basin during which Oxy contaminated the rivers and lands of the indigenous Achuar communities, causing death, widespread poisoning

Consumer Products Sustainability

and destruction of their way of life.

Evaluation:NA

Tracking mechanisms:NA

Supplier Enforcements:NA

Second tier Suppliers:NA

Dow Jones Sustainability index: No

Newsweek green score:417

Miscellaneous:

Occidental Petroleum has implemented SAP in its various sectors

[http://www.oxy.com/sr/Documents/Oxy\\_SR\\_11.pdf](http://www.oxy.com/sr/Documents/Oxy_SR_11.pdf)

15. Spectra Energy Corp.

SRM Evaluation

Supplier Website:

<https://vendors.spectraenergy.com/>

Contacts: [http://www.spectraenergy.com/contact\\_us/](http://www.spectraenergy.com/contact_us/) (website link)

Summary

Spectra Energy is one of North America's premier natural gas infrastructure companies connecting natural gas sources to premium markets across North America.

Partnership Guidelines:

[http://www.spectraenergy.com/our\\_responsibility/2009-Sustainability-Report/stakeholder\\_engagement.html](http://www.spectraenergy.com/our_responsibility/2009-Sustainability-Report/stakeholder_engagement.html)

(Expectations for our suppliers and general approach for meeting those expectations)

Lawsuits: NA

Best Practices:

[http://www.spectraenergy.com/our\\_responsibility/2009-Sustainability-Report/operate\\_safely\\_reliably\\_and\\_responsibly/index.html](http://www.spectraenergy.com/our_responsibility/2009-Sustainability-Report/operate_safely_reliably_and_responsibly/index.html)

(Evaluate feasibility of a company-wide integrated operations management system: A company-wide Operations Performance Assurance framework was developed in 2009 integrating: safety, reliability, integrity, compliance and environmental performance management systems)

Vendor Recognition: NA

Company Recognition: NA

Miscellaneous:

---

Consumer Products Sustainability

<http://www.spendmatters.com/index.cfm/2010/11/9/Analyzing-Aribas-Fourth-Quarter-Part-3>

(2011:Spectra Energy Corporation, which uses what Ariba describes as “a combination of SAP and Maximo to handle their MRO procurement,” also signed onto the network in the quarter.)

## LHR Evaluation

## Code of Conduct Evaluation:

<http://www.spectraenergy.com/investors/governance/CodeOfBusinessEthics.pdf>

(Company’s code of conduct: no discrimination)

[http://www.spectraenergy.com/our\\_responsibility/2009-Sustainability-Report/gri\\_human\\_rights\\_indicators.html](http://www.spectraenergy.com/our_responsibility/2009-Sustainability-Report/gri_human_rights_indicators.html)

(We do not screen our suppliers and contractors for human rights performance)

## Supplier Enforcement – Code of Conduct

[http://www.spectraenergy.com/our\\_responsibility/2009-Sustainability-Report/operate\\_safely-reliably\\_and\\_responsibly/index.html](http://www.spectraenergy.com/our_responsibility/2009-Sustainability-Report/operate_safely-reliably_and_responsibly/index.html)

(Continue to comply with the Code of Business Ethics (Code), internal policies, and applicable laws and regulations. In 2009, the Code was extended to contractors, suppliers and service providers. All employees and contractors received Code training; specialized groups received additional training. )

Contracts Evaluation: NA

Supplier Monitoring/Evaluations: NA

Labor related lawsuits: NA

## Community Involvement:

<http://www.spectraenergy.com/Responsibility/Community-Relations/>

(2011:Spectra Energy employees are committed to working to enrich the quality of life in our communities through active volunteerism and giving. This sense of stewardship is embraced throughout our company. We strategically support charitable organizations, with a focus on Education and Workforce Development, Community Vitality, and Employee Support and Volunteerism.)

Tracking Mechanisms: NA

Miscellaneous: NA

## Environmental Sustainability Evaluation

Code of Conduct: NA

[http://www.spectraenergy.com/our\\_responsibility/sustainability/](http://www.spectraenergy.com/our_responsibility/sustainability/)

(Throughout our business plans, we are integrating environmental performance improvement in the areas that matter most to our stakeholders and our business: minimizing our environmental footprint, taking a progressive approach to climate change and championing energy conservation. Our challenge is to minimize the impact of our operations while growing our business.)

<http://www.spectrumenergy.com/green-technology.php>

---

 Consumer Products Sustainability

(Spectrum professionals have a long history in providing engineering services for green power and renewable energy projects and we anticipate a renaissance in Green Power Projects in the new future. Whatever your green power needs, Spectrum Energy has the answer.)

Sustainability report:

[http://www.spectraenergy.com/our\\_responsibility/2007-008\\_Baseline\\_Sustainability\\_Report.pdf](http://www.spectraenergy.com/our_responsibility/2007-008_Baseline_Sustainability_Report.pdf)

(Progressive approach to climate change, Monitoring hazardous waste disposal, spill on yearly basis and taking action to reduce such events)

Climate: Responsibility towards climate, monitoring their footprints

[http://www.spectraenergy.com/our\\_responsibility/climate/](http://www.spectraenergy.com/our_responsibility/climate/)

Code of Conduct: NA

Contracts: NA

Training Programs: NA

Reports: <http://www.spectraenergy.com/Sustainability/About-this-Report/> (2012: Sustainability report)

Lawsuits: NA

Evaluation: NA

Tracking mechanisms: NA

Supplier Enforcements: NA

Second tier Suppliers: NA

Dow Jones Sustainability index: Yes

Newsweek green score: 46.1

Miscellaneous: NA

**VISIT OUR SCM RESOURCES ONLINE**

SCM PROFESSIONAL RESOURCES  
<http://scm.ncsu.edu/scm-professionals>

SCM WHITE PAPERS  
<http://scm.ncsu.edu/scm-whitepapers>

SCM TUTORIALS  
<http://scm.ncsu.edu/scm-articles/scm-tutorials>

THE BASICS OF SCM  
<http://scm.ncsu.edu/scm-articles/scm-basics>

SCM INDUSTRY PARTNERSHIPS  
<http://scm.ncsu.edu/industry-partnerships/>

**THE SCM PROFESSIONAL eNEWSLETTER**

Get supply chain articles, whitepapers, and research sent directly to your email inbox. Sign up online for newsletter at <HTTP://SCM.NCSU.EDU/>

Sign-up from your phone


**CONTACT THE SCRC**

Poole College of Management  
 NC State University  
 2806-A Hillsborough Street  
 919.513.4488